

**DECISION MEMORANDUM**

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE**

IPC-E-11-07

**FROM: CHRIS HECHT**

**DATE: APRIL 14, 2011**

**RE: FORMAL COMPLAINT OF CRAIG MUCHOW**

On March 15, 2011, the Commission received a "formal" complaint (Attachment) from Craig Muchow against Idaho Power Company (IPC). Mr. Muchow was unsatisfied with the outcome of the informal procedures to resolve his complaint and has filed this formal complaint. A Company letter to the customer stated that one of his irrigation accounts was subject to a Tier 2 deposit because it met one of two conditions listed in the letter, while in actuality that particular account met neither of the stated conditions. Mr. Muchow requests that IPC not be allowed to charge him a Tier 2 deposit for Account No. 1342930754.

**BACKGROUND**

During the 2010 irrigation season the customer, Craig Muchow, had three active irrigation accounts with Idaho Power Company. As of December 31, 2010, two of those accounts had a balance over \$1,000 and the third account had a balance less than \$1,000.

The Company sent a letter (Attachment) dated December 3, 2010, which reminded the customer that irrigation account(s) with a balance greater than \$1,000 as of December 31, 2010 would be subject to a Tier 2 deposit.

The Company sent another letter (Attachment) dated January 13, 2011 for Account No. 1342930754 that had a balance less than \$1,000 as of December 31, 2010. Specifically, the amount owing was \$169.77. The letter required a Tier 2 deposit because the account met one or

more of the following criteria specified under Idaho Power's tariff: outstanding balance due greater than \$1,000 as of December 31 or in bankruptcy or receivership proceedings.<sup>1</sup>

Because Account No. 1342930754 was referenced in the letter and neither of the two conditions listed in the letter applied to that account, the customer does not believe a Tier 2 deposit should be required. However, the Company maintains that its policy is to collect a deposit on all Schedule 24 accounts if any of the customer's Schedule 24 accounts meet the deposit criteria.

The customer contacted the Commission to file an informal complaint. When contacted by Commission Staff, the Company continued to maintain that the customer qualified for the Tier 2 deposit for Account No. 1342930754 because he had other Schedule 24 accounts with a balance greater than \$1,000 on December 31.

The tariff provisions for Schedule 24 deposits does not specify that a deposit will be collected on all Schedule 24 accounts for a customer if any Schedule 24 account meets the deposit criteria. However, Staff acknowledges that Idaho Power has followed this policy since these deposit provisions were first put into place.

#### **STAFF RECOMMENDATION**

Craig Muchow was not satisfied with the outcome of the informal complaint. Consequently, he filed a formal complaint. See Rules 23, 25 and 54, IDAPA 31.01.01.023, .024 and .054. Staff recommends that the Commission issue a summons to Idaho Power Company and direct the Company to file a response to the complaint.

#### **COMMISSION DECISION**

Does the Commission wish to accept Craig Muchow's formal complaint? Does the Commission wish to issue a Summons?

  
Chris Hecht

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<sup>1</sup> The same form letter was sent to the customer, requesting deposits for each of his other two irrigation accounts. However, the customer is not protesting the deposit requests for these accounts.

RECEIVED  
2011 MAR 15 AM 8:33  
IDAHO PUBLIC UTILITIES COMMISSION

March 11, 2011

Idaho Public Utilities Commission  
Boise, Idaho

REF: Idaho Power Company Account Number 1342930754

To Whom It May Concern:

Attached please find a copy of a letter that I received from Idaho Power Company dated January 13, 2011. This letter was in reference to the above listed account number. The letter is very clear. It has two stipulations for deposit prior to power being turned on. This account number does not qualify for the tier two deposit demanded by Idaho Power. This account, last December 31, 2010, was approximately \$175.00 in arrears.

Neither of the criteria apply to this account. We are not in bankruptcy nor was the amount in excess of \$1000. Therefore, I am formally asking you to have Idaho Power reinstate the service to this pump number to avoid any delay in irrigation to crops and avoiding any damage to the crops.

Please consider this letter a formal complaint against Idaho Power Company.

Thank you for your consideration.

  
Craig R. Muchow

Att. (1) Idaho Power Letter

pc: File  
Erik Clark, Attorney, Boise, ID



JANUARY 13, 2011

CRAIG MUCHOW  
1451 S 1700 E  
GOODING, ID 83330

Account Number: 1342930754

Questions? Call (208) 388-2323 (Treasure Valley)  
or 1-800-488-6151. Se habla español.

Page 1 of 4

2011 MAR 15 AM 8:33  
IDAHO POWER  
UTILITIES COMMISSION

REQUEST FOR DEPOSIT

Our records indicate that your account met one or more of the following criteria that requires a TIER 2 deposit be paid on this account:

- Outstanding balance due greater than \$1,000 as of December 31
- In bankruptcy or receivership proceedings

NO  
NO

The calculation of the deposit is based on the horsepower for all pumps from your account that were active last year and for any new pumps requested this year. If you plan to add or delete pumps this year, please contact Idaho Power. The deposit requested for this account is \$653.00.

Idaho Power Company provides interest payments on the amount of the deposit. A portion of the irrigation deposit, with accrued interest, will be applied to your account monthly until the deposit is depleted. Any remaining deposit plus accrued interest will be applied upon date of disconnection or at the time your September bill is prepared, whichever is earlier. A copy of the most recent irrigation tariff will be provided to you upon request.

Required deposits must be paid prior to having service connected. To continue receiving service for those pumps currently active in your name, deposit payments must be made on or before March 1, 2011. To ensure that your payment is applied properly and in a timely manner, please mail payment with the attached payment stub. Allow five business days for receipt of mailed payments.

As an alternative to the deposit, a guarantee of payment letter from an acceptable bank or financial institution may be secured. For information on this alternative, please contact Idaho Power at (208) 388-2323 within the Treasure Valley calling area or 1-800-488-6151. When calling Idaho Power for irrigation service, you will hear a list of options. Please say "Irrigation" when prompted to be connected to a customer service representative. Thank you for your cooperation in providing and maintaining access to your pump(s) during the upcoming irrigation season.

Please detach and return the portion below with your payment. Please bring entire statement when paying at a pay station.



PO BOX 7866  
BOISE, ID 83707

(208) 388-2323 (Treasure Valley)

Deposit Payment due prior to having service connected or to continue service, payment due on or before March 1.

ACCOUNT NUMBER	TOTAL AMOUNT DUE
1342930754	\$653.00

Amount Enclosed \_\_\_\_\_

Please write your account number on your check or money order made payable to *Idaho Power*.

Address /Phone Correction, noted on reverse side



2856 1 AT 0.354  
CRAIG MUCHOW  
7 1/2 HP PUMP  
1451 S 1700 E  
GOODING, ID 83330-5020

T201 00000021 14 2856

2



IDAHO POWER  
P.O. BOX 7866  
BOISE, ID 83707-1866



December 3, 2010

CRAIG R MUCHOW  
50 HP PUMP  
1451 S 1700 E  
GOODING ID 83330-5020

Dear CRAIG R MUCHOW,

As 2010 comes to a close, I would like to provide you with information regarding your Irrigation Service account balance(s) and ensure you are aware of Idaho Power's deposit requirements for irrigation customers. Depending on the status of your account balance on December 31, 2010, you may be required to pay either a "Tier 1" or a "Tier 2" deposit in order to receive electrical service for the 2011 irrigation year. A Tier 1 deposit is required if you have received two or more reminder notices for past due payments over \$100. A larger Tier 2 deposit is required if the past due balance on your account(s) is greater than \$1,000 as of December 31.

As of December 1, our records indicate the past due balance on your account(s) is greater than \$1,000.00. You may avoid the requirement to pay a Tier 2 deposit by paying your past due balance prior to December 31. For your convenience, enclosed with this letter is a list of each account that has a past due balance.

Tier 2 deposits are computed using the following formula:

- (a) The Monthly Billing Demand is determined by multiplying 80 percent times the connected horsepower for your pumps.
- (b) The Monthly Energy (billing kWh) is determined by multiplying 50 percent times 720 hours times the Monthly Billing Demand.
- (c) The Monthly Billing Demand and the Monthly Energy are multiplied by the current rates and added to the Irrigation In-Season Service Charge to determine the estimated monthly bill.
- (d) The estimated monthly bill is multiplied by a factor of four (4) to determine your required deposit amount.

If you are required to pay a Tier 2 deposit, your 2011 monthly bills will be deducted from the

deposit balance, which includes accrued interest, until the balance is depleted. Once the deposit balance is depleted, all subsequent billings will be due and payable each month. Any deposit balance remaining will be applied to your account when the September billing is prepared. If you request service be disconnected earlier than your September billing date, any remaining deposit balance will be applied to your account at that time.

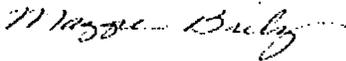
If your past due balance is below \$1,000 on December 31, you may still be required to pay a Tier 1 deposit if you received two or more reminder notices for past due payments over \$100. Tier 1 deposits are computed on the same basis as the Tier 2 deposit outlined above except the estimated monthly bill is multiplied by a factor of only one and one-half (1.5). For Tier 1 deposits, the deposit amount plus accrued interest is applied to your account only at the time your September billing is prepared or you request service be disconnected, whichever is earlier.

A deposit may be paid directly or an irrevocable letter of credit in the amount of the deposit may be provided from a financial institution acceptable to Idaho Power.

If you are required to pay a Tier 1 or a Tier 2 deposit, the deposit plus all outstanding past due balances must be paid in full in order to receive electrical service for the 2011 irrigation year.

If you have any questions regarding your account balance or Idaho Power's deposit requirements, please contact your Agricultural Representative, Gerald Orthel, at 208-736-3430. For information on ways to pay your bill, please visit [www.idahopower.com](http://www.idahopower.com) and click on Pay My Bill.

Sincerely



Maggie Brilz  
Customer Service Manager

<b>Account Number</b>	<b>Service Agreement</b>	<b>Service Location</b>	<b>Account Balance</b>
2032093611	7101489190	05S14E1430/GOODING.ID	\$992.86
4301660008	2915120240	05S14E1412/GOODING.ID	\$1,389.77
1342930754	3733138362	05S14E1410/GOODING.ID	\$162.54